

# BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE THE LIVES OF MILLIONS OF UNEMPLOYED PEOPLE IN ASEAN



International  
Labour  
Organization

## UNEMPLOYMENT AND VULNERABLE EMPLOYMENT IN ASEAN

South-East Asian and Pacific economies rebounded remarkably from the global economic crisis in 2010, but their growth rates are estimated to have decelerated since 2013. This deceleration has not, however, impacted the unemployment rate, which is estimated to be 4.5 per cent for 2013, with higher rates among women and youth. While employment has steadily increased, much of the growth has been in vulnerable employment comprised of own-account workers and contributing unpaid family workers. It is estimated that around 59 per cent of the labour force in the region is engaged in vulnerable employment.

## THE NEED FOR ADAPTED PROTECTION MEASURES

Long-term solutions require sustainable employment-generating policies. Nevertheless, there is still a need for immediate responses that will alleviate financial consequences of job loss and prevent workers and their families from falling into poverty.

Most of the Association of Southeast Asian Nations (ASEAN) countries still rely on severance payments to compensate for job loss. For formal sector employees, the provision of unemployment benefits on the basis of periodical payments and social insurance overcomes many of the limitations of severance pay, particularly when enterprises are affected by an economic crisis.

Among the ASEAN countries, only Thailand (in 2004) and Viet Nam (in 2009) have established unemployment insurance schemes. Yet, for many countries in ASEAN, such schemes would only protect a limited portion of the labour force.

Several countries, such as Indonesia and Cambodia, have developed public employment programmes, but these measures are often ad hoc, scattered, and insufficiently linked with initiatives to increase the employability of the working poor. Although today most ASEAN countries are equipped with employment support services, the network of offices is often limited, labour market information is not always up-to-date, services and information are incomplete, and human resources lack sufficient training.



The Project strategy is to provide technical support to constituents of national and regional dialogues with the aim of identifying innovative responses to unemployment and underemployment. These responses are part of nationally defined social protection floors and are aligned with the ILO's set of basic social protection principles, as specified by its Constitution and its Conventions and Recommendations. Grounded in the ASEAN economic and socio-cultural integration process, the Project will facilitate dialogue and the exchange of experiences within and between countries, as well as provide technical guidance on scheme design, legal expertise, and advice on the governance and administrative aspects of unemployment protection measures. The Project will also ensure wider dissemination of findings to other Asian countries, promoting a South-South learning approach.

The ILO has developed significant knowledge and tools through a Government of Japan-funded project in 2011-13 aimed at supporting the improvement and design of unemployment insurance (UI) schemes, respectively, in Viet Nam and Malaysia. This knowledge can be used to support the further development and improvement of unemployment systems in the region.



Click on the picture to watch the video or scan the code

## THE UNEMPLOYMENT INSURANCE SCHEME IN VIET NAM

The UI scheme in Viet Nam was launched in 2009. Today, it covers nearly 20 per cent of the workforce and has delivered unemployment benefits to over 700,000 persons.

The ILO, mainly with the support from the ILO/Japan Multi-bilateral Programme, has provided technical support and capacity building services to the Government and social partners to continue improving the scheme.

## FROM RIGHT TO REALITY WITH YOUR SUPPORT

The ILO is recognized by partners in the region for its capacity and unique expertise at the macro level in the areas of social protection financing and the establishment of rights-based legal and institutional frameworks inspired by international social security standards.

With your support, we can accelerate making Social Protection Floors a reality for millions of people, while simultaneously fulfilling Sustainable Development Goals.

You can support us to:

- Conduct a feasibility study and facilitate a national dialogue on the design of an unemployment/employment protection scheme.

US\$ 300,000  
per year per country

- Support legal and institutional reforms to improve unemployment insurance schemes based on actuarial evidence.

\$ 100,000 per year

- Build capacity and organize tailor-made trainings on unemployment protection.

\$ 150,000 per year

- Facilitate South-South cooperation and exchanges between countries on unemployment protection and producing regional and global knowledge.

\$ 200,000 per year

## LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports detailing the progress made and have access to ongoing project activities and performance indicators.

To further discuss your needs and the ways you can support ASEAN stakeholders and improve the lives of millions of people, you can contact:



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